

## Shares. |

# Dividends lift Williamson, Kapchorua

Charles Mwaniki

The shares of Williamson Tea and Kapchorua Tea registered double-digit gains at the stock market yesterday after the two firms announced enhanced dividends for the financial year ended March 2023, sparking demand for the units.

Williamson Tea closed the day 11.9 percent higher at Sh232 per share, while Kapchorua Tea gained 10.2 percent to close at Sh173 per share. Both were trading without the usual 10 percent daily share movement cap due to the material (results) announcement.

Kapchorua Tea raised its dividend by two-and-a-half times to Sh25 per share, from Sh10 in the previous year, after reporting a 47 percent jump in net profit to Sh314.5 million in the period.

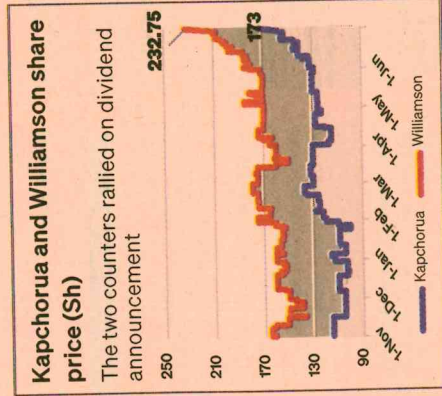
Williamson Tea, whose profit rose by 4.5 percent to Sh564.3 million,

quence of significant hard work from staff and the right quality of the tea that is made for the target markets which fetched good prices during the financial year," said Kapchorua Tea.

The enhanced dividend yields on the stocks following the results announcements saw investors seek to take positions on the counters before the expected price jump, but the thin liquidity of the tightly held stocks meant that less than 10,000 units changed hands on both companies.

Ahead of trading yesterday, Kapchorua Tea had a dividend yield (trailing) of 6.4 percent, based on last year's dividend and Tuesday's closing price of Sh157 per share.

This yield, however, jumped to 14.5 percent at the close of trading yesterday (based on the new dividend), a rate that comfortably beats the 11.9 percent on offer on the government's one-year Treasury bill.



raised its payout to Sh30 per share from last year's distribution of Sh20 per share.

The two tea firms that share majority owners said in separate results filings that they had benefited from improved tea prices in the global market.

"The good results are a conse-

Williamson Tea's dividend yield also jumped significantly from 9.6 percent to 12.9 percent following the enhanced dividend.

Investors in the Nairobi Securities Market (NSE) have become keener on dividends in recent years due to limited capital gains on a majority of stocks at the bourse, especially on companies whose yields are beating inflation.

About more than half — 33 out of 65 — listed companies on the NSE have paid a dividend in the last year, raising the premium further for those that offer regular payouts among investors.

Kapchorua Tea's 14.5 percent dividend yield now sees it jump ahead of Standard Chartered Bank Kenya (13.7 percent) and I&M Bank (13.2 percent), and is now only behind cross-listed Umeme (15.3 percent) on the list of top-yielding counters at the stock exchange.

→ cmwaniki@ke.nationmedia.com

## Aviation. |

# KQ, Uganda Airlines open dialogue for easy access

John Mutua

Kenya Airways (KQ) has started talks with Uganda Airlines for interline and re-protection deals as it seeks to open access to several new destinations and offload passengers onto each other's networks.

KQ chief executive Allan Kilavuka disclosed that the talks are at an advanced stage.

"The talks are on but the timelines are as soon as we can agree and do the set-up. These (deals) fall within our partnership pillar, which is part of our strategy. It is also in line with our pan-African strategy," Mr Kilavuka told *Business Daily*.

An interline deal allows passengers to check in once for all the flights on the itinerary, receive boarding passes and transfer luggage from the first airline without having to collect and drop it off.

Ugandan Airlines says it is keen to seal the deal before the year ends as the carrier seeks to grow revenues four years after it was revived.

"Conversations are ongoing with Kenya Airways for both interline and re-protection. A lot is going on around the two and we hope to have an agreement by the end of the year," Peggy Macharia, country manager of Uganda Airlines in Kenya, said.

Re-protection allows an airline to offload its passengers onto a rival carrier with whom they share a destination when the affected airline is not able to fly on a select destination they share due to a mechanical failure or change of schedule.

→ jmutua@ke.nationmedia.com

## Eyeing a wealthy nation of wheat

Uasin Gishu chief officer for Agriculture Elphas Kesio (second left) visits Unga Farmcare East Africa Limited stand during the first day of the Kenya Wheat Expo organised by Nation Media Group at Central Primary School in Eldoret town yesterday. The two-day event is organised under the theme, 'Growing wheat sustainably for a healthier, wealthier nation'. JARED NYATAYA



## Courts. |

# NIC Bank to pay law firm Sh76m for dishonouring cheque

Sam Kiplagat

NIC Bank has been ordered to pay a law firm Sh76 million for dishonouring a cheque 14 years ago, a decision that the law firm of Harit Sheth Advocates says hurt its business.

The lender merged with Commercial Bank of Africa to form NCBA.

Justice Alfred Mabeya ruled that the lender breached its duty of care by dishonouring the cheque. The law firm

there was no justification in declining payment of the cheque as it was duly drawn and executed as per the mandate held by the bank.

"More-so, there was sufficient funds to effect payment of the cheque. There was no good reason to decline payment and the defendant failed to properly exercise its duty of care to the plaintiffs by failing to carry out the plaintiffs' instructions," the judge said.

Other than the Sh5 million each, the judge directed the lender to pay the law firm Sh56.3 million for special damages. The court was informed that the law firm drew and signed a cheque for Sh13.2 million to be paid to Mark Properties on April 4, 2009, for sale of some property they were developing. At the time, the law firm's bank account had Sh29 million.

**Sh13.2m**

Value of cheque in question

Mr Harit Sheth and Mr Richard Karuki Sh5 million each, the judge said

which the court ruled was defamatory.

The lender said it was the primary duty of the customer to comply with the bank's conditions of operating the account. "... this court finds that the defendant breached the banker-customer contract, and that the marking of the bankers cheque '80' meaning 'refer to maker' or 'refer to drawer' was defamatory of the plaintiffs," the judge said.

→ skiplagat@ke.nationmedia.com